

# Fiscal Note

*Fiscal Services Division*



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**SF 395** – Child Welfare Policy, Human Services Department (LSB 1151SV)  
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Fiscal Note Version – New

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## **Description**

**Senate File 395** makes the following changes to various Department of Human Services (DHS) Programs:

- Eliminates the Comprehensive Family Support Council required under Iowa Code. The Family Support Subsidy Program is being phased out and the Council is no longer necessary.
- Prohibits electronic transactions involving Family Investment Program (FIP) benefits in any liquor store; any casino, gambling casino, or gaming establishment; or any retail establishment that provides adult-oriented entertainment where performers disrobe or perform in an unclothed state for entertainment. These changes are required under the federal Middle Class Tax Relief and Jobs Creation Act of 2012.
- Makes a number of mandatory changes required by the federal Patient Protection and Affordable Care Act (ACA) of 2010, including:
  - This Bill implements a new foster care coverage group and eliminates the Medicaid for Young Adults group, as those individuals will be covered under the new foster care coverage group. Foster care children are required to be covered to the age of 26.
  - Amends the expiration date of the IowaCare waiver from October 31, 2013, to December 31, 2013, for compliance with the ACA maintenance of effort (MOE) requirements.
  - Makes changes to the CHIP (hawk-i) program due to requirements regarding eligibility determinations and simplification of the application process. Also included are necessary technical changes and obsolete provisions for hawk-i that are not related to the ACA.

## **Assumptions**

- There are 3,154 Foster Care adults between the age of 18 and 26 that will be eligible for Medicaid coverage under this new group in the first year. It is estimated that 25.0% (789) will not seek coverage through Medicaid or will continue coverage under another Medicaid program. Of the remaining 2,365 youth, 1,182 (50.0%) will apply in the first year for coverage, with the remaining youth applying in FY 2015.
- The DHS will require an additional 1.5 Income Maintenance Worker 2 positions in FY 2014 and FY 2015 to handle the additional enrollment in the Medicaid Program.
- The DHS will require 300 hours in reprogramming of the Medicaid Management Information System (MMIS), at \$85.00 per hour, to meet federal reporting requirements. The federal government pays 90.0% of these costs.
- The DHS is required to develop a new aid-type for federal reporting codes (Parts A, B, C, & D). The changes to the IABC and TXIX systems will require a total of 750 hours programming at \$85.00 per hour. The federal government pays approximately 58.35% of these costs.

- It is estimated that the DHS will require \$600,000 for a third-party administrator to reprogram the hawk-i computer system to capture and relay data with the new eligibility system. The federal government pays approximately 70.0% of these costs.

### **Fiscal Impact**

These changes, required by the Affordable Care Act, are estimated to cost the State General Fund \$468,000 in FY 2014 and \$1.5 million in FY 2015. A summary of the impact is listed below.

<b>FY 2014 Provision</b>	State	Federal	Total
Foster Children age 18-26 Medicaid	\$ 200,000	\$ 275,000	\$ 475,000
Total of 1.5 Field Staff in FY 2014	58,238	24,334	82,572
MMIS Reprogramming	6,375	19,125	25,500
hawk-i System Reprogramming	176,696	423,304	600,000
Other Aid System Reprogramming	26,558	37,192	63,750
<b>Total</b>	<b>\$ 467,867</b>	<b>\$ 778,955</b>	<b>\$ 1,246,822</b>
<b>FY 2015 Provision</b>	State	Federal	Total
Foster Children age 18-26 Medicaid	\$ 1,400,000	\$ 1,900,000	\$ 3,300,000
Total of 3 Field Staff in FY 2015	116,476	48,668	165,144
<b>Total</b>	<b>\$ 1,516,476</b>	<b>\$ 1,948,668</b>	<b>\$ 3,465,144</b>

### **Source**

Department of Human Services

/s/ Holly M. Lyons

March 18, 2013

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.